



May 2, 2017

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) In the Matter Of
)
) Restoring Internet Freedom) WC Docket No. 17-108

Written Ex Parte of the Benton Foundation

On April 27, 2017, the Federal Communications Commission released a public draft of a Notice of Proposed Rulemaking (NPRM) concerning a free and open Internet. The Benton Foundation offers the following for the newly-opened WC Docket No. 17-108.

Colin Gibbs, the Editor of FierceWireless, writes in the attached article, "the undoing of net neutrality rules would still give operators opportunities to leverage their own content, placing smaller digital media companies at a disadvantage. Verizon could enable faster speeds for users willing to endure AOL ads, for instance, or AT&T could do the same for mobile users of its DirecTV Now service."

As the Commission considers reclassifying broadband Internet access service and the 2015 Open Internet rules, it should consider the disadvantages changes to the rules could cause for smaller digital media companies.

Trustees

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Sincerely,

_____/s/____

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Wireless

Editor's Corner—Rollback of net neutrality rules would give Verizon and AT&T a huge edge in digital media

by *Colin Gibbs* | Apr 27, 2017 12:30pm



FCC Chairman Ajit Pai enjoys a 2-1 voting majority at the FCC under President Trump.



FCC Chairman Ajit Pai drew applause from the wireless industry yesterday as he outlined his plan to overturn net neutrality rules adopted under his predecessor Tom Wheeler. But rolling back those rules will give the nation's two largest carriers a huge advantage as the wireless and digital media markets collide.

Pai laid out his proposal to return to what he described as a light-touch approach that would reclassify broadband as a Title I information service rather than a Title II common carrier service. He said that the proposed Title I classification—which came out of the Clinton administration-era 1996 Telecommunications Act—“was expressly upheld by the Supreme Court in 2005, and it's more consistent with the facts and the law.”

Pai, it must be noted, is a former Verizon lawyer.

Wireless carriers have long argued against the Title II classification, saying it places them and other ISPs at a disadvantage in the digital advertising market. Facebook, Google and other massive players aren't subject to the same rules because they operate websites and apps but don't provide wireless service. Which surely is one reason why they've argued the standing net neutrality rules **should remain unchanged**.

Arguments against net neutrality rules often focus on blocking and prioritization, and for good reason: The elimination of such rules would enable service providers to throttle network speeds to consumers who pay less than other customers, or to enable faster speeds for specific content partners.

And the fight over net neutrality has grown more contentious in recent months in the wireless industry as carriers increasingly expand into digital media and advertising to offset slowing growth in the U.S. mobile market. AT&T acquired DirecTV and hopes to join forces with Time Warner, for instance, while Verizon has acquired AOL and agreed to buy Yahoo.

Those moves are increasingly enabling carriers to favor their own content and services—or those of their partners—over other offerings. All of the major U.S. carriers adopted that model last year to one degree or another in the form of **zero-rated data**, which allows users to access specific kinds of online content without incurring data charges. T-Mobile essentially ushered in the era of zero-rated data with Binge On, which supports video from any provider willing to accept the carrier's technical terms. And that enables Verizon and AT&T to give their own content an advantage.

While zero-rated data is less of a factor in this era of unlimited-data plans, the undoing of net neutrality rules would still give operators opportunities to leverage their own content, placing smaller digital media companies at a disadvantage. Verizon could enable faster speeds for users willing to endure AOL ads, for instance, or AT&T could do the same for mobile users of its DirecTV Now service.

Pai enjoys a 2-1 voting majority at the FCC under President Trump, and the Commission is sure to move forward when it votes on an NPRM to roll back net neutrality rules next month. But as **Wired pointed out**, Pai's effort is far from a done deal. The American public **appears to favor** net neutrality rules, and Pai may have to make his case in court against the Title II classification.

But if the new FCC chairman ultimately prevails, the country's two biggest wireless network operators will have an even bigger edge in digital media. — **Colin** | **@colin_gibbs**

Read more on [net neutrality](#), [zero-rated data](#), [FCC](#), [Ajit Pai](#), [Verizon](#), [AT&T](#), [Tom Wheeler](#)



Editor

Colin Gibbs



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